



GOVERNOR'S OFFICE OF
BUDGET AND PROGRAM PLANNING

Fiscal Note 2009 Biennium

Bill #	HB0224	Title:	Require seat belts in new school buses
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Primary Sponsor:	Cohenour, Jill	Status:	As Introduced
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| <input checked="" type="checkbox"/> Significant Local Gov Impact | <input type="checkbox"/> Needs to be included in HB 2 | <input type="checkbox"/> Technical Concerns |
| <input type="checkbox"/> Included in the Executive Budget | <input type="checkbox"/> Significant Long-Term Impacts | <input type="checkbox"/> Dedicated Revenue Form Attached |

FISCAL SUMMARY

	<u>FY 2008 Difference</u>	<u>FY 2009 Difference</u>	<u>FY 2010 Difference</u>	<u>FY 2011 Difference</u>
Expenditures:				
General Fund	\$0	\$0	\$0	\$0
Revenue:				
General Fund	\$0	\$0	\$0	\$0
Net Impact-General Fund Balance	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>	<u>\$0</u>

Description of fiscal Impact: HB 224, which requires all new school buses to have seatbelts, does not increase state support for K-12 schools in the 2009 biennium. After becoming effective in mid-FY 2010, the state cost might increase but the fiscal impact can not be determined. There will be significant fiscal impact on permissive local tax levies for schools.

FISCAL ANALYSIS

Assumptions:

1. This bill, which is effective January 1, 2009, will not increase the cost of state transportation reimbursements for the 2009 biennium.
2. The number of bus miles traveled on school bus routes in FY 2005-06 was 19 million. During the 2009 biennium and through FY 2010, districts will run the same number of miles to transport students. Starting in FY 2011, total statewide mileage may change as routes may be shorter using buses with smaller seating capacities; however, the statewide fiscal impact can not be determined.
3. The additional cost of new buses and retrofitting of older buses will be paid by school districts by increasing district transportation fund tax levies.

4. The type of seat belt to be installed is not specified in the bill. The seat belt type that will be required for school buses in Montana will be a three-point lap/shoulder belt.
5. Compared to buying a bus without seatbelts, the additional cost of buying a new school bus equipped with three-point lap/shoulder belts or for retrofitting a school bus with the belts is \$8,000 to \$10,000 in FY 07. The cost will increase by 3% each year. The additional cost for the new buses or retrofitting a bus will be:

FY 2008	\$8,240 – \$10,300
FY 2009	\$8,487 – \$10,609
FY 2010	\$8,742 – \$10,927
FY 2011	\$9,004 – \$11,255

6. Three-point lap/shoulder belts will reduce seating capacity on school buses. Bus seating capacity will decrease by 1/3 for the belts and by an additional 20% to remove seats and provide required spacing between seats to comply with federal law. Some school districts may need to purchase additional buses or purchase larger buses to carry the same number of passengers as the district currently transports to compensate for approximately 53% reduction in seating capacity.
7. Districts will retrofit buses as soon as they purchase a new bus, so that all buses in the fleet are similarly equipped with or without seatbelts.
8. Since 1996 (past 10 years), districts purchased new buses at an average of 5.33% per year. There are 2811 school buses, so without any change in the law, districts will purchase 150 school buses each year (0.0533×2811 buses). Districts will purchase 53% more buses whenever purchasing a new bus to have as much seating capacity as they had on buses without seatbelts, so districts will purchase 80 more buses per year, or a total of 230 new buses.

Effect on County or Other Local Revenues or Expenditures:

1. School districts will increase their permissive transportation fund tax levies to pay the additional costs of purchasing new buses equipped with seatbelts and retrofitting older buses.

Long-Range Impacts:

1. Several major national transportation organizations cite results of crash studies and warn of serious injuries if belts are not properly installed, riders are not properly belted when crashes occur, or riders are unable to evacuate a bus. Factors could result in state exposure to significant liability and should possibly be reviewed by state risk management professionals.

Sponsor's Initials

Date

Budget Director's Initials

Date